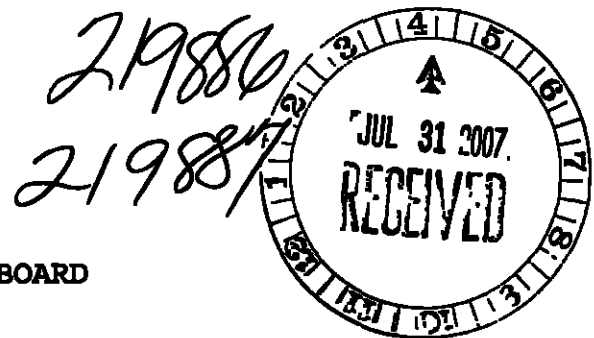


ORIGINAL

Before the
SURFACE TRANSPORTATION BOARD



Finance Docket No. 35064

WATCO COMPANIES, INC. and WATCO TRANSPORTATION SERVICES, INC. -
CONTINUANCE IN CONTROL EXEMPTION-MICHIGAN CENTRAL RAILWAY, LLC

Finance Docket No. 35065 ✓

NORFOLK SOUTHERN RAILWAY COMPANY-TRACKAGE RIGHTS
EXEMPTION-MICHIGAN CENTRAL RAILWAY, LLC.

PETITION FOR STAY ^{*/}

ENTERED
Office of Proceedings
JUL 31 2007
Part of
Public Record

HAROLD A. ROSS
Acting General Counsel
1370 Ontario Street, Mezzanine
Cleveland OH 44113

GORDON P. MacDOUGALL
1025 Connecticut Ave., N.W.
Washington DC 20036

Attorneys for Brotherhood of
Locomotive Engineers and Trainmen.
A Division of the Rail Conference-
International Brotherhood of
Teamsters

July 31, 2007

*/ Expedited handling requested as the exemptions otherwise
become effective August 10, 2007.

Before the
SURFACE TRANSPORTATION BOARD



Finance Docket No. 35064

WATCO COMPANIES, INC. and WATCO TRANSPORTATION SERVICES, INC.-
CONTINUANCE IN CONTROL EXEMPTION-MICHIGAN CENTRAL RAILWAY, LLC

Finance Docket No. 35065

NORFOLK SOUTHERN RAILWAY COMPANY-TRACKAGE RIGHTS
EXEMPTION-MICHIGAN CENTRAL RAILWAY, LLC.

PETITION FOR STAY

Brotherhood of Locomotive Engineers and Trainmen, A Division of the Rail Conference-International Brotherhood of Teamsters (BLET), petitions the Surface Transportation Board (STB) that it stay the operation of the notices of exemption, filed July 13, 2007, in Finance Docket No. 35064, Watco Companies, Inc. and Watco Transportation Services, Inc.-Continuance in Control Exemption-Michigan Central Railway, Inc. (Control); and in Finance Docket No. 35064, Norfolk Southern Railway Company-Trackage Rights Exemption-Michigan Central Railway, LLC (Trackage Rights).

The notice for each proceeding is published to become effective August 10, with petitions for stay due August 3, 2007. 72 Fed. Reg. 41386-87 (July 27, 2007).

Both of the notices state the transaction is related to Finance Docket No. 35063, Michigan Central Railway, LLC-Acquisi-

tion and Operation Exemption-Lines of Norfolk Southern Railway Company (Acquisition), filed July 13, 2007; further, both of the notices also claim the transactions are related to each other.

ARGUMENT

The exemptions should be stayed pending decision in Acquisition. As matters presently stand, the exemptions in Control and in Trackage Rights would become effective irrespective of the outcome in Acquisition, although the transactions would not be immediately consummated until any exemption in Acquisition could become effective.

Allowing the exemptions in Control and Trackage Rights to become effective at this time, would place the burden upon protestants to seek revocation later on if the ultimate decision in Acquisition should suggest modification of Control or Trackage Rights, in whole or in part.

It is presumptuous for the Board to allow the exemptions to become effective now, subject to revocation at a later date.


The Board recently revised its class exemption regulations to better conform to the realities of exemption, stay, and revocation proceedings. Ex Parte No. 659, Public Participation in Class Exemption Proceedings (served Oct. 19, 2006). Similarly, the Board should revise and reject an apparent practice of automatically allowing class exemptions to become effective, even when inextricably related to or embraced within a proceeding not subject to a class exemption, and which may be bitterly protested.

Moreover, it is very questionable whether an exemption, even by petition, will be appropriate for review of Acquisition. It

appears that the proceeding will requires an application in order that the public convenience and necessity may be revolved.^{1/}

Here, Acquisition, Control, and Trackage Rights, are functionally interrelated, so that the public interest and due process requires a stay of the exemptions in Control and Trackage rights pending disposition of Acquisition.

Respectfully submitted,

HAROLD A. ROSS
Acting General Counsel
1370 Ontario Street, Mezzanine
Cleveland OH 44113

GORDON P. MacDOUGALL
1025 Connecticut Ave., N.W.
Washington DC 20036

Attorneys for Brotherhood of
Locomotive Engineers and Trainmen,
A Division of the Rail Conference-
International Brotherhood of
Teamsters

July 31, 2007


^{1/} BLET notes that Michigan Central Railway Company has advised the public that it has filed a petition for exemption with the STB for approval of the proposed acquisition. (FD 35063, 35064, 35065, filed July 23, 2007). The language "approval" suggests an application, not an exemption, for the transaction. Under an exemption, the Board does not "approve" a transaction.

appears that the proceeding will requires an application in order that the public convenience and necessity may be revolved.^{1/}

Here, Acquisition, Control, and Trackage Rights, are functionally interrelated, so that the public interest and due process requires a stay of the exemptions in Control and Trackage rights pending disposition of Acquisition.

WHEREFORE, the operation of thee exemptions should be stayed pending disposition of Acquisition.

Respectfully submitted,

HAROLD A. ROSS
Acting General Counsel
1370 Ontario Street, Mezzanine
Cleveland OH 44113

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Certificate of Service

I hereby certify I have served a copy of the foregoing on counsel for Control and Trackage Rights, by first class mail postage-prepaid, upon Karl Morrel, 1455 F St., N.W.-#225, Washington DC 20005, and upon G. Paul Moates, 1501 K Street, N.W., Washington DC 20005.

Dated at
Washington DC
July 31, 2007


GORDON P. MacDOUGALL